

AMENDED IN SENATE APRIL 2, 2009

**SENATE BILL**

**No. 766**

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**Introduced by Senator Negrete McLeod**

February 27, 2009

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An act to add Section 19605.10 to the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 766, as amended, Negrete McLeod. Horse racing.

*Existing law, until January 1, 2011, authorizes racing associations, fairs, and other related organizations to form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, and to obtain, provide, or defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers. A specified percentage of the amount handled by each satellite wagering facility is required to be distributed to that statewide marketing organization for those purposes of promotion and defraying the cost of workers' compensation coverage. Existing law also provides that any promotion funds not expended in the year in which they are collected may be expended in the following year.*

*Existing law, until January 1, 2014, provides that every thoroughbred association and fair that conducts a racing meet shall deduct a percentage of the total amount handled in exotic parimutuel pools of thoroughbred races, which shall be distributed to an organization, as specified, to defray costs of workers' compensation insurance in connection with thoroughbred horses that race in this state, as specified. Existing law provides that any funds that are not used to defray the cost of workers' compensation insurance shall either be carried forward to*

*the subsequent year or used to reimburse racing associations for safety-related expenditures, as specified.*

*This bill would provide that, in the event there are at any time uncommitted surplus funds in accounts created pursuant to the above provisions of existing law, those unexpended funds may, at the request of the organization governing those funds and with the approval of the California Horse Racing Board, be reallocated to any other fund or account created pursuant to the Horse Racing Law.*

~~Existing law, the Horse Racing Law, generally regulates horse racing and parimutuel wagering on horse races. Existing law requires various deductions and distributions to be made from parimutuel pools as specified.~~

~~This bill would express the Legislature's findings and declarations regarding the threat to the horse racing industry in California due to escalating costs. The bill would declare the intent of the Legislature to enact legislation to deduct an additional percentage of the total amount handled in parimutuel pools of thoroughbred horse races, to establish a joint powers agency to collect that additional money and issue bonds, and to use the money primarily for capital improvement financing.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) The existence of high caliber thoroughbred horse racing in
- 4 California is important to the state's agricultural economy.
- 5 (2) The California horse racing industry is being threatened by
- 6 the escalating costs of doing business in California, including, but
- 7 not limited to, workers' compensation insurance costs. These costs
- 8 are not only causing thoroughbred horses and trainers to leave the
- 9 state, but are also discouraging owners and trainers from bringing
- 10 horses into this state to compete.
- 11 (b) It is therefore the intent of the Legislature to provide some
- 12 relief from these escalating costs through the redistribution of the
- 13 parimutuel handle on wagers.
- 14 ~~(c) In this regard, it is the intent of the Legislature to enact~~
- 15 ~~legislation that would do all of the following:~~

1     ~~(1) Deduct an additional percentage of the total amount handled~~  
2 ~~in all parimutuel pools of thoroughbred races run in California.~~

3     ~~(2) Establish a joint powers agency to collect and distribute the~~  
4 ~~money accumulated pursuant to paragraph (1), to issue bonds, and~~  
5 ~~to be accountable to the California Horse Racing Board for the~~  
6 ~~use of those funds.~~

7     ~~(3) Use the money collected pursuant to paragraph (1) primarily~~  
8 ~~for the financing of capital improvements to provide adequate~~  
9 ~~stabling and training facilities for thoroughbred horses, and~~  
10 ~~secondarily to supplement the costs of workers' compensation~~  
11 ~~insurance incurred in connection with thoroughbred horse racing.~~

12     ~~SEC. 2. Section 19605.10 is added to the Business and~~  
13 ~~Professions Code, to read:~~

14     ~~19605.10. Notwithstanding any other provision of law, in the~~  
15 ~~event there are at any time uncommitted surplus funds in accounts~~  
16 ~~created pursuant to Sections 19605.73 and 19605.75, those~~  
17 ~~unexpended funds may, at the request of the organization governing~~  
18 ~~those funds and with the approval of the board, be reallocated to~~  
19 ~~any other fund or account created pursuant to this chapter.~~